Message Text

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ACTION NEA-06

INFO OCT-01 SS-14 ISO-00 EA-06 EUR-08 ARA-06 NSC-05 NSCE-00

SP-02 PM-03 L-01 INR-07 CIAE-00 DODE-00 EB-03 IO-03

RSC-01 /066 W

----- 124286

PR 311708Z JAN 75

FM AMEMBASSY ALGIERS

TO SECSTATE WASHDC PRIORITY 1808

INFO AMEMBASSY ABU DHABI

AMEMBASSY ATHENS

USINT BAGHDAD

AMEMBASSY JAKARTA

AMEMBASSY CARACAS

AMEMBASSY DOHA

AMEMBASSY JIDDA

AEMEMBASSY KUWAIT 232

AMEMBASSY LAGOS

AMEMBASSY LIMA

AMEMBASSY LODNON

AMEMBASSY QUITO

AMEMBASSY PARIS

AMEMBASSY TEHRAN

AMEMBASSY TRIPOLI

AMEMBASSY VIENNA

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LIMDIS

E.O. 11652: N/A TAGS: ENRG, AG

SUBJ: OPEC CONFERENCE: A LOOK BACK

SUMMARY: OPEC ALGIERS CONFERENCE APPEARS HAVE BEEN MIXED SUCCESS FOR GOA. ALTHOUGH POLITICIZATION NEVER WENT VERY FAR, ALGERIANS HAD THEIR WAY ON THE KEY SUBSTANTIVE ISSUES: SUMMIT MEETING, WORKING PAPERS CONFIDENTIAL

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SOLIDARITY OF LDCS AND OPEC, AND JOINING OIL PRICES

TO OTHER ISSUES TO BE DISCUSSED. ON OTHER HAND, VARIOUS REPORTS INDICATE ALGERIAN TACTICS RAISED HACKLES MORE CONSERVATIVE ARABS, WHICH MAY CAUSE TROUBLE IN FUTURE. END SUMMARY

- 1. GENERAL IMPRESSION OF PRESS AND DIPLOMATS IN ALGIERS IS THAT OPEC CONFERENCE BASICALLY MET ALGERIAN GOALS.
- 2. MOST IMPORTANTLY, IN ALGERIAN EYES, CONFERENCE AGREED TO A SUMMIT MEETING ALONG LINES SUGGESTED BY PRESIDENT BOUMEDIENE.
- 3. ALGERIAN MINISTER OF INDUSTRY AND ENERGY ABDESSELAM PRESENTED A NUMBER OF PROPOSALS FOR DISCUSSION AT THE SUMMIT BUT THE MINISTERS DID NOT DISCUSS THEM IN DEPTH. THEY AGREED, HOWEVER, ON EXPERT AND FURTHER MINISTERIAL MEETINGS TO CONSIDER PROPOSALS, SUPPORTED BY FULL BACK-UP PAPERS WHICH HAVE ALSO BEEN PREPARED BY THE ALGERIANS. WORDING OF ABDESSELAM PROPOSALS MAY HAVE BEEN TONED DOWN TO MEET SAUDI SENSIBILITIES, BUT APPEARS VERY LITTLE OF SUBSTANCE LOST BY ALGERIANS.
- 4. PROBABLY NEXT MOST IMPORTANT GOAL IN ALGERIAN EYES IS MAINTENNANCE OF OPEC SOLIDARITY WITH LDC MAJORITY. THIS OBJECTIVE WAS MET BY COMMUNIQUE SPECIFYING OPEC WOULD MERGE WITH DEVELOPING WORLD FOR PARTICIPATION IN QTE FRENCH PROPOSED QTE CONFERENCE ON DEVELOPMENT AND RAW MATERIALS. ALGERIAN INFLUENCE ON DAKAR CONFERENCE FEBRUARY 3. GROUP OF 77 CONFERENCE HERE IN ALGIERS FEBRUARY 15-18 AND CUBAN NON-ALIGNED PREPARATORY CONFERENCE FOR EIGHTH SPECIAL SESSION OF UN, FEBRUARY 22, WILL PRESUMABLY PROMOTE ALGERIAN LEADERSHIP AND ENSURE THAT DEVELOPING WORLD IS BOUGHT INTO OPEC PREPARATIONS. (FRENCH EMBASSY SOURCE EXPRESSED IRRITATION AT MISCITING OF GISCARD'S PROPOSED ENERGY CONFERENCE AS FURTHER MOVE AWAY FROM TRIPARTITE FORMULA. THIS IS ESPECIALLY GALLING BECAUSE IN DISCUSSIONS BETWEEN BOUMEDIENE CONFIDENTIAL

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AND PONIATOWSKI IN DECEMBER 1974, FRENCH THOUGHT ALGERIANS HAD AGREED TO CONFERENCE PRIMARILY FOCUSSING ON ENERGY AND ONLY SECONDARILY COVERING OTHER COMMODITIES.)

5. FINALLY, ALGERIANS HAVE ASSURED THAT THER WILL NOT BE A CONFERENCE ON OIL PRICES ALONE, BUT HAVE SUCCEEDED IN BURYING ISSUE AMONG NUMBER OF OTHER PROPOSALS ON OPEC/DC/LDC RELATIONS.

6. THOUGH MOST SPECIFICS WERE NOT DISCUSSED AT CONFERENCE, FRENCH EMBASSY SOURCE REPORTS THAT IMF WAS DISCUSSED, WITH OPEC COUNTRIES THINKING OF DEMANDING 30 PERCENT IMF QUOTA. THIS DISCUSSION REFLECTED IN AMOUZEGAR (IRAN) REMARKS TO PRESS ABOUT OPEC BEING UNDERREPRESENTED IN IMF AND THAT OPEC SHOULD HAVE 30 PERCENT QUOTA. AMOUZEGAR ALSO SAID BY 1980 OPEC COUNTRIES' RESERVES WOULD BE BETWEEN 350-400 BILLION DOLLARS.

7. GENERAL IMPRESSIONS OF FOREIGN CORRESPONDENTS
AT CONFERENCE WERE THAT ALGERIANS, THOUGH PERHAPS
HAVING TO SLOW THEIR PACE A BIT AND SACRIFICING
SOME POLITICIZATION OF CONFERENCE, GOT SUBSTANTIALLY
WHAT THEY WANTED. DELEGATIONS REPEATED THIS VIEW,
ADDING THAT ALGERIAN STEAMROLLER HAD WORKED WELL.
ON OTHER HAND SOME OF REMARKS MADE TO US PRIVATELY BY DELEGATION
INDICATE THAT THERE WAS RESENTMENT AT WAY STEAMROLLER OPERATED.
WHILE THERE NO ONE ON THE OPEC SCENE WHO SEEMS ABLE MATCH
THEM, WE WOULD NOT BE SURPRISED TO SEE THESE RESENTMENTS
BECOME A PROBLEM FOR ALGERIANS.

8. ATMOSPHERIC NOTE: ALGERIANS APPEARED TO SPARE NO EXPENSE, BUT CONFERENCE ARRANGEMENTS LEFT MUCH TO BE DESIRED. MINISTERS WERE WELL CARED FOR, BUT OTHERS WERE GLAD TO LEAVE THEIR "PRISON". PRESS HAD NICKNAMED HOTEL AL MANAR STALAG 9. IT WAS WITHOUT WATER SOMETIMES AND WITHOUT HOT WATER ALL THE TIME. ONE OLD TIMER REFERRED TO PRESS ARRANGEMENTS AS WORSE THAN PRIOR MEETINGS IN ALGIERS. PARKER

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Message Attributes

Automatic Decaptioning: Z Capture Date: 01 JAN 1994 Channel Indicators: n/a

Current Classification: UNCLASSIFIED Concepts: PETROLEUM, MEETINGS

Control Number: n/a Copy: SINGLE Draft Date: 31 JAN 1975 Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW Disposition Action: RELEASED Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975AL GIER00308

Document Number: 1975ALGIER00308 Document Source: CORE Document Unique ID: 00

Drafter: n/a Enclosure: n/a Executive Order: GS

Errors: N/A Film Number: D750037-0899

From: ALGIERS Handling Restrictions: n/a

Image Path:

Legacy Key: link1975/newtext/t1975014/aaaaadfo.tel Line Count: 145 Locator: TEXT ON-LINE, ON MICROFILM

Office: ACTION NEA Original Classification: CONFIDENTIAL Original Handling Restrictions: LIMDIS Original Previous Classification: n/a Original Previous Handling Restrictions: n/a

Page Count: 3

Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL Previous Handling Restrictions: LIMDIS Reference: n/a

Review Action: RELEASED, APPROVED Review Authority: GolinoFR

Review Comment: n/a Review Content Flags: Review Date: 02 APR 2003

Review Event:

Review Exemptions: n/a
Review History: RELEASED <02 APR 2003 by MartinML>; APPROVED <03 APR 2003 by GolinoFR>

Review Markings:

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JÚL 2006

Review Media Identifier: Review Referrals: n/a Review Release Date: n/a Review Release Event: n/a **Review Transfer Date:** Review Withdrawn Fields: n/a

Secure: OPEN Status: NATIVE

Subject: OPEC CONFERENCE: A LOOK BACK SUMMARY: OPEC ALGIERS CONFERENCE APPEARS HAVE BEEN TAGS: ENRG, AG, OPEC To: STATE

Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006